

the projected FY 2009 deficit, 8.3 percent of GDP, is considerably larger than any deficit during the Great Depression, the highest was 5.9 percent of GDP in 1934. The federal debt grew by more than \$2 trillion in the last two years, and may grow by another \$2 trillion in 2009.

The year 2008 could easily be defined as the year of the bailout. The months have passed in a torrent of troubling government "rescues" of private sector financial firms. Those bailouts have come at a great price and have exposed American taxpayers to vast financial risk. And in a financial crisis, such as the one we are now facing, bailout after bailout is quite simply not a good strategy for recovery.

The cascade of bailouts began in March of 2008 with the collapse of investment bank Bear Stearns. The Federal Reserve stepped in when Bear Stearns lost significant liquidity and lent another large investment firm—JPMorgan—\$29 billion to buy up Bear Stearns and its liabilities. This was quickly followed by legislative recognition of the housing and foreclosure crisis and, subsequently, the Treasury's forced rescue of out-of-control GSEs Fannie Mae and Freddie Mac which has put taxpayers on the hook for trillions worth of risk.

Since October of 2008, the U.S. Treasury has committed \$350 billion in public funds to private financial institutions, many of which have utilized reckless investment strategies, through the Troubled Asset Relief Program, TARP. Specifically, insurance giant MG has received \$40 billion, Citigroup—which just tried to spend \$50 billion on a luxury corporate jet—has received \$20 billion, an additional \$20 billion has been given to the Federal Reserve, and \$250 billion has gone to large national banks in the form of direct capital injections. Even more troubling is the \$23.4 billion of these TARP funds, which has been allocated to bail out automobile manufacturers such as General Motors and Ford. This type of government intervention in the private sector is unprecedented and has put us on a precarious path to socialism.

The new Secretary of the Treasury, Tim Geithner, is now poised to spend an additional \$350 billion as part of a second installment of TARP funds as reports are coming out that executives such as John Thain, have used these funds to hand out \$4 billion in bonuses to fellow executives, \$1 million to renovate his office, and \$1,400 for the purchase a new personal waste basket. Due to the lack of transparency and accountability of how the first \$350 billion was spent, and the fact that banks have not made it easier to get loans and the credit markets have not thawed as expected, I voted against the TARP Reform and Accountability Act, H.R. 384, and in favor of a resolution, H.J.RES.3, disapproving of the release of these additional funds.

Given the massive amount of money the federal government has spent on bailouts since March of 2008 along with the ever-rising debt level, it is unconscionable to continue committing good money after bad. This money belongs to the American taxpayer and now, more than ever, we must rein in this out-of-control government spending for our future generations who will have to pay back this irresponsible debt accumulation.

Mr. Chair, enough is enough, turn off the government spigot of federal funding into non-simulative debt spending. It is time for this Congress to pass a real economic stimulus

that will give tax relief to hurting American businesses, create long term sustainable job growth, and provide real permanent tax relief to American families.

AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009

SPEECH OF

HON. RUSH D. HOLT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 2009

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 1) making supplemental appropriations for job preservation and creation, infrastructure investment, energy efficiency and science, assistance to the unemployed, and State and local fiscal stabilization, for fiscal year ending September 30, 2009, and for other purposes:

Mr. HOLT. Mr. Chair, I rise this evening in support of the American Recovery and Reinvestment Act of 2009 (H.R. 1). America is in the midst of the worst economic storm since the Great Depression. Millions of people are hurting across the United States and in my home state of New Jersey. New Jersey's unemployment rate has risen to 7.1 percent from 4.2 percent just a year ago. Our nation's economy is in recession, and we must respond with every tool in our tool box to help put Americans back to work and rebuild our struggling economy.

We could let the free market continue to spiral downward or we could pass a bill with a smaller price tag, ignoring the lessons learned from Congress's previous attempt at stimulating the economy through rebate sent out in spring of 2008. We can no longer wait to act. The time has come for a bold, national, response. Economists have predicted that the unemployment rate will skyrocket to over 12 percent this year. The package we are considering today has the potential to create 3 to 4 million much needed new jobs in the short term.

The House approved the American Recovery and Reinvestment Act, comprehensive legislation that through targeted, job-creating spending, responsible investments in the nation's social safety net to help Americans weather the difficult months ahead, and tax cuts for 95 percent of Americans will help the United States climb out of the current recession. Importantly, this bill includes critical investments in research and development, which lay the ground work for innovation and sustainable, long-term economic growth. It is unfortunate that not one member of the minority saw fit to approve this important bill.

In the short term, the American Recovery and Reinvestment Act would help create up to 1.5 million new construction jobs by providing \$30 billion to states for transportation, infrastructure, and energy efficiency improvements. This would translate to approximately \$777 million for ready-to-go road and bridge modernization projects in my home state of New Jersey. Infrastructure improvements would serve a dual purpose; creating 835,000 jobs and helping to address the backlog of needed improvements to our nation's transportation network that total \$61 billion, according to the U.S. Department of Transportation. This bill would also invest \$10 billion in public transportation, \$333 million to relieve congestion on our roadways in New Jersey. This bill would

also create an additional 375,000 jobs by investing \$19 billion for clean water, environmental restoration, and flood control projects.

H.R. 1 will fund a number of additional projects that my Central New Jersey constituents refer to as "green stimulus." Investment in "green stimulus" can create good American jobs that cannot be outsourced, while reducing our reliance on foreign fuels, protecting our environment and slowing the rate of global warming. Specifically, this legislation would provide \$32 billion to transform the nation's energy transmission, distribution, and production system so they can handle renewable energy sources. This legislation includes more than \$26 billion in incentives to promote renewable energy and help low and middle income Americans weatherize their homes. These incentives include the renewable energy production tax credit, the energy research and development tax credit, and the consumer energy-efficiency tax credits.

Responding to the nation's rising unemployment rate, this bill would devote \$4 billion to job training programs and would extend unemployment benefits through December 31, 2009, increasing benefits by \$25 per week for individuals looking for work.

The current economic downturn has hit hard public school districts, which are being forced to make painful cuts in services. The American Recovery and Reinvestment Plan makes sound investments in public education. The legislation would provide \$20 billion to states to rebuild the nation's crumbling schools. In particular, the bill includes a provision from a bill that I authored, the School Building Enhancement Act, which would give schools grants to increase their energy efficiency helping them to save thousands of dollars annually on their energy costs.

Additionally, to ensure that families can send their children to college, this bill would increase the maximum Pell Grant by \$500, to \$5,350 and would help 4 million more students attend college with a new \$2,500 college tuition tax credit for families.

I am deeply gratified that the Economic Recovery and Reinvestment Act reflects a profound commitment to renewing our nation's innovation infrastructure. In crafting this package, Congress has recognized that research and innovation are not merely luxuries to be undertaken only in time of economic prosperity. The truth is that scientific research is perhaps the most powerful economic engine, creating jobs in the short-term and building our economy for the long-term.

All together, the recovery package includes nearly \$16 billion to support scientific research and facilities, including \$3 billion for the National Science Foundation, \$2 billion for the Department of Energy's Office of Science, and \$3.5 billion for the National Institutes of Health. There is no doubt that these funds will create jobs. Lab technicians will be hired to carry out projects that previously went unfunded. Electricians will be put to work wiring new laboratory equipment. And construction workers will begin refurbishing our neglected laboratories and building the facilities that will transform science for the twenty-first century.

Of course, the ideal project is one that keeps on giving, and that is exactly what scientific research does. The innovation and discoveries that come from research form the